

How to Use This Book

Purpose

The primary purpose of *The Blue Book* is to provide guidance to school business office personnel who handle fiscal recordkeeping, accounting, and reporting functions for federal Title IV financial aid programs, which are authorized by the Higher Education Act of 1965, as amended (HEA). It also provides general information about Title IV programs, policies, and procedures that are useful to other institutional personnel who administer and manage Title IV programs. Some procedures discussed in *The Blue Book* are recommended to help institutions meet the fiscal responsibilities they undertake on signing a Title IV Program Participation Agreement (PPA). Other procedures described in *The Blue Book* are required by federal laws and regulations.

As postsecondary institutions and the U.S. Department of Education (ED) have moved into the electronic information age, this edition of *The Blue Book* emphasizes the benefits and challenges of electronic management of Title IV programs. The goals of any electronic-management system are to maintain accurate, well-organized records; submit required reports in an accurate and timely manner; comply with federal laws and regulations; and provide quality service to students. Further, ED now requires schools to use automated methods to meet certain Title IV requirements, such as retrieving Institutional Student Information Records (ISIRs) through the Internet, requesting and drawing down Title IV funds using ED's Grant Administration and Payment System (GAPS), reporting Federal Pell Grant disbursements through the Recipient Financial Management System (RFMS), submitting the Fiscal Operations Report and Application to Participate (FISAP) electronically, and reporting any overpayments online to the National Student Loan Data System (NSLDS). As a result, cooperation and communication across a school's administrative offices, such as the business office and financial aid office, are more important than ever. *The Blue Book* is designed to help schools achieve these goals and to use ED's automated systems successfully.

What This Book Contains



The **appendices** are designed to supplement the information presented in the main chapters of *The Blue Book*.

Appendix A provides a comprehensive glossary of terms related to Title IV accounting, recordkeeping, and reporting requirements.

Appendix B provides a list of commonly used acronyms.

Appendix C lists other publications that supplement and support the information provided in *The Blue Book*.

Appendix D tells you whom to contact for technical assistance.

The **Index** helps you quickly locate information in *The Blue Book*.

Chapters 4 - 6 are for anybody involved in student financial aid administration who needs in-depth information about Title IV programs.

4. Requesting, Managing, and Returning Title IV Funds provides a comprehensive discussion on projecting cash needs, drawing down funds, disbursing funds to students, and returning funds.

5. Accounting Procedures for Title IV Programs describes the fund accounting approach used to manage Title IV program funds.

6. Title IV Funds Reporting, NSLDS, Audit and Program Reviews, and Guaranty Agency Procedures addresses reporting for Title IV programs and the Fiscal Operations Report and Application to Participate (FISAP).

Chapters 1 - 3 are aimed at anybody who needs some background and introductory information on Title IV programs.

1. The Student Financial Aid Programs provides an overview, addresses the fiscal calendar, and defines terms, such as “academic year” and “award year.”

2. General Institutional Responsibilities presents institutional Title IV operational and program requirements.

3. Obtaining Authorization for Title IV Campus-Based Funding addresses fiscal procedures unique to managing Title IV campus-based programs.

Using The Blue Book at Your School

The Blue Book can perform several different functions for a school. For example, it can serve as a:

- training guide for new employees (especially in conjunction with ED's Fiscal Officer Training Workshop and its Participant's Guide),
- reference manual for any employee, and
- basis for a school's fiscal policies and procedures manual.

Regardless of how a school uses this book, remember that it is only a guide and does not replace federal laws, regulations, or generally accepted accounting principles (GAAP). School personnel are still responsible for familiarizing themselves with all relevant primary source documents.

Other Resources

A companion publication is the U.S. Department of Education's (ED's) *Student Financial Aid Handbook* (Handbook), which is a primary resource for financial aid administrators. The Handbook is mentioned frequently throughout *The Blue Book*. The Handbook consists of two core pieces and four references, which are published individually and successively by ED each year and distributed to school financial aid offices.* Fiscal office personnel should know where to locate their school's copy of the Handbook, and they might want to copy pertinent sections for their own use.



Reference:

- For information on these and other pertinent printed materials, see Appendix C of this book

***The two core pieces are on IFAP and paper copies will become available after this edition of *The Blue Book* is printed. Also, between June and September of 1999 the four references will come out. Later, paper copies of these references will become available.**

Another ED publication that is vital to the work of a fiscal officer is the *U.S. Department of Education Payee Guide for the Grant Administration and Payment System (GAPS)* [GAPS Payee Guide]. It provides information on systems operations and procedures for federal funds paid to schools through GAPS. The *Payee Guide* helps schools fulfill their responsibilities in expediting payments, completing forms and reports, and controlling federal cash received through GAPS.

Effective Date

This edition of *The Blue Book* is written on the basis of laws, regulations, policies, and procedures in effect for the 1999-2000 award year. Schools should be aware, however, these are subject to change. It is a school's responsibility to keep abreast of such changes so that it remains in compliance with current rules.

Comments and Suggestions on The Blue Book

Your comments and suggestions regarding any aspect of *The Blue Book* are welcome. We are particularly interested in learning:

- the purposes for which *The Blue Book* is being used (for example, reference, self-study, training new staff);
- the appropriateness of the content and the usefulness of the appendices; and
- whether you feel that this publication is among those that OSFA should update on a regular basis.

You may send your comments to *The Blue Book*, Training Branch, OSFA/ED, Room 3030, ROB-3, 400 Maryland Avenue, S.W., Washington, D.C. 20202-4731.